

Entered on Docket
September 02, 2010
GLORIA L. FRANKLIN, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA



The following constitutes
the order of the court. Signed September 02, 2010


Roger L. Efremsky
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re
RITO Q. LIGUTOM and
FLAMINGO R. LIGUTOM,
Debtors.

Case No. 10-52040-RLE
Chapter 13
Date: September 16, 2010
Time: 2:00 p.m.
Place: Courtroom 3099

ORDER TO SHOW CAUSE

This case was filed on March 1, 2010 (Docket #1).

Along with the petition, Debtors filed a Chapter 13 Plan (Docket #2). On that same day, Debtors filed a First Amended Chapter 13 Plan (Docket #7). Objections to the First Amended Chapter 13 Plan were filed by American Honda Finance Corporation (Docket #13), Suntrust Mortgage, Inc. (Docket #15), Toyota Motor Credit Corporation (Docket #17), and the Chapter 13 Trustee (Docket #18).

Subsequently, Debtors filed a Second Amended Chapter 13 Plan (Docket #21). Objections to the Second Amended Chapter 13 Plan were filed by American Honda Finance Corporation (Docket #23), JP Morgan Chase Bank (Docket #24) and the Chapter 13 Trustee (Docket #26). As of the date of this Order to Show Cause, it does not appear that the objections to the Second Amended Chapter 13 Plan have been resolved.

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ORDER TO SHOW CAUSE

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1 It is unclear how much Debtors' counsel, Kenneth Graham, was paid to represent Debtors
2 in this case as his filings are wildly inconsistent.

3 1/ The Rule 2016(b) Statement indicates that Debtors paid Mr. Graham \$3,500, plus
4 the filing fee, and, as of the filing date, still owed \$2,500 (Docket #3).

5 2/ Review of Debtors' Statement of Financial Affairs indicates that Mr. Graham was
6 paid \$3,500 for legal fees, a \$274 filing fee, \$50 for a credit report and \$1,000 for loan
7 modification fees (Docket #1, p. 35).

8 3/ Debtors' 1st Amended Statement of Financial Affairs indicates that Debtors paid
9 Mr. Graham \$6,000 in legal fees, \$274 for the filing fee, \$50 for a credit report and \$1,000 for
10 loan modification fees (Docket #6, p. 4).

11 4/ Debtors' 2nd Amended Statement of Financial Affairs indicates that Debtors paid
12 Mr. Graham \$5,500 in "bankruptcy fees," \$274 for filing fees, \$50 for a credit report, and \$800
13 for a loan modification fee (Docket #20, p. 13).

14 Confirmation hearings were held on May 5, 2010, June 17, 2010 and August 31, 2010.
15 Mr. Graham, failed to appear at the confirmation hearing set for August 31, 2010, at 2:00 p.m.,
16 even though he had appeared by phone on matters called earlier during that calendar. At that
17 hearing, the Court ordered the case dismissed without prejudice for failure to prosecute and
18 retained jurisdiction to issue this Order to Show Cause.

19 For the foregoing reasons, for the reasons stated on the record at the August 31, 2010
20 confirmation hearing, and on the Court's own motion,

21 **IT IS HEREBY ORDERED THAT on September 16, 2010, at 2:00 p.m. or as soon**
22 **thereafter as the matter may be called, Mr. Graham shall personally appear** in this Court to
23 show cause why he should not be required to disgorge all or part of the funds received from
24 these debtors pursuant to 11 U.S.C. § 105(a) and/or § 329(b).

25 **IT IS FURTHER ORDERED that no later than 4:00 p.m. on Friday, September 10,**
26 **2010, Mr. Graham shall file with the Court and serve on Debtors and the Chapter 13 Trustee, a**
27 **declaration containing an accounting of all fees received from these Debtors for any services**

performed, including a description of the services and the exact dates the funds were received.

2 IT IS FURTHER ORDERED that failure of Mr. Graham to personally appear at the
3 hearing, or to meet the deadlines set forth in the Order to Show Cause may result in an order
4 requiring Mr. Graham to disgorge all fees received, or other relief as the Court deems necessary
5 and/or appropriate, without any further hearing.

* * * END OF ORDER * * *

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1 Court Service List: [by ecf and/or mail]
2 Rito Q Ligutom
3 400 Easter Avenue
4 Milpitas, CA 95035

5 Flamingo R Ligutom
6 400 Easter Avenue
7 Milpitas, CA 95035

8 Kenneth R. Graham
9 Law Offices of Kenneth R. Graham
10 1575 Treat Blvd #105
11 Walnut Creek, CA 94598

12 Devin Derham-Burk
13 P.O. Box 50013
14 San Jose, CA 95150-0013

15 Request for Special Notice

16 The Wolf Firm, A Law Corporation
17 2955 Main Street, Second Floor
18 Irvine, CA 92614

19 GE Money Bank
20 c/o Recovery Management Systems Corp.
21 25 SE 2nd Avenue, Suite 1120
22 Miami, FL 33131-1605
23 Attn: Ramesh Singh

24 Jonathan J. Damen
25 Routh Crabtree Olsen, PS
26 505 N. Tustin Avenue, Suite 243
27 Santa Ana, CA 92705

28 *** and all creditors ***